

In conclusion, God bless our troops, and we will never forget September 11th.

PROVIDING FOR CONSIDERATION OF H.R. 3915, MORTGAGE REFORM AND ANTI-PREDATORY LENDING ACT OF 2007

Mr. ARCURI. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 825 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 825

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3915) to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to establish licensing and registration requirements for residential mortgage originators, to provide certain minimum standards for consumer mortgage loans, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived except those arising under clause 10 of rule XXI. Notwithstanding clause 11 of rule XVIII, no amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment except as specified in the report, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived except those arising under clause 9 or 10 of rule XXI. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommend with or without instructions.

SEC. 2. During consideration in the House of H.R. 3915 pursuant to this resolution, notwithstanding the operation of the previous

question, the Chair may postpone further consideration of the bill to such time as may be designated by the Speaker.

The SPEAKER pro tempore. The gentleman from New York is recognized for 1 hour.

Mr. ARCURI. Mr. Speaker, for purpose of debate only, I yield the customary 30 minutes to the gentleman from Washington (Mr. HASTINGS). All time yielded during consideration of this rule is for purpose of debate only.

I yield myself such time as I may consume.

GENERAL LEAVE

I also ask unanimous consent that all Members be given 5 legislative days in which to revise and extend their remarks on House Resolution 825.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ARCURI. Mr. Speaker, House Resolution 825 provides for consideration of H.R. 3915, the Mortgage Reform Anti-Predatory Lending Act of 2007, under a structured rule. The rule provides 1 hour of general debate controlled by the Committee on Financial Services. The rule waives all points of order against consideration of the bill, except for clause 9 and clause 10 of rule XXI. The rule makes in order the Financial Services Committee-reported substitute. The rule also makes in order 18 amendments printed in the Rules Committee report.

Mr. Speaker, let me begin by thanking and congratulating Financial Services Committee Chairman FRANK and Ranking Member BACHUS for truly working in a bipartisan fashion to develop this legislation. I would like to point out that the legislation was approved by the Financial Services Committee last week by a vote of 45-19 with support of nine Republicans, including the ranking member. It is this type of bipartisan spirit that the American people demand from Congress, and we as the new majority will continue to provide that.

Mr. Speaker, the subprime lending crisis threatens our Nation's economic security and the dreams of homeownership for many American working families. Now more than ever, American families are at risk of losing their homes. In the second quarter of this year, more than 286,000 mortgage loans entered the foreclosure process.

With the housing market in decline, foreclosures pose a grave danger to the stability of local property values and to our national economy. This lending crisis can be traced to rapid increases in the subprime mortgage, most of which were made with no Federal supervision. This lack of supervision allowed some lenders, not all, to prey on innocent consumers' dreams of achieving homeownership and force punitive subprime mortgages upon them.

Many of these predatory loans feature low teaser introductory rates which lure borrowers who may be eligible for lower fixed rates into loans they

have little chance of repaying once the rates increase.

□ 0930

Mr. Speaker, the Mortgage Reform and Anti-Predatory Lending Act would require lenders to prove that borrowers can in fact repay their loans and ensure that vulnerable consumers aren't pressured into refinancing their loans unless the refinanced loan will be to their benefit. And to further protect borrowers, the legislation would curb incentives to steer consumers to high-cost loans and enhance consumer protections for high-cost mortgages.

Finally, the legislation would also provide long overdue and much needed regulation of the lending industry by requiring that mortgage lenders be licensed by States.

Mr. Speaker, every American deserves the opportunity to achieve the American Dream of homeownership. I am proud to stand here today with my colleagues from both sides of the aisle as we take meaningful, commonsense steps to help more American families achieve that dream.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I want to thank the gentleman from New York (Mr. ARCURI) for yielding me the customary 30 minutes, and I yield myself such time as I may consume.

(Mr. HASTINGS of Washington asked and was given permission to revise and extend his remarks.)

Mr. HASTINGS of Washington. Mr. Speaker, this rule allows for the consideration of the Mortgage Reform and Anti-Predatory Lending Act, aimed at reforming mortgage lending practices in order to prevent subprime mortgage problems in the future.

I support efforts to better protect homeowners through simplified borrower disclosure, greater focus on deceptive practices, and enhanced education, training and oversight of lenders.

While I recognize that several significant changes were made to address some of the most concerning parts of this legislation during the committee markup, additional improvements and clarification are still needed. Consumers must have protections without unduly restricting credit opportunities or creating enormous liability for the mortgage lending industry.

We must improve the mortgage process to empower consumers to make good choices among competitors, not limit options for them. Also, we must ensure that this bill does not hurt the consumers that it is intended to help, especially those consumers with less than perfect credit histories that hope to achieve the American Dream of homeownership.

The current climate of rising defaults and foreclosures, especially in the subprime market, has shown us that poor lending decisions and abusive lending practices must be addressed.

And while we must deal with the bad actors in the lending industry, let's not forget about the good lenders and investors that have helped thousands of families successfully purchase their homes.

This bill is a step in the right direction, but improvements should be made as this legislation moves forward. I was hoping that the Democratic-controlled Rules Committee would see fit to provide an open rule for consideration of this bill. Under an open rule, Members could come to the floor and offer amendments in their effort to perfect this bill. While this rule allows several amendments to be offered, it is unfortunate that this restrictive rule also prevents Members of Congress from offering amendments on the floor during debate of the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. ARCURI. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. MATSUI), my colleague from the Rules Committee.

Ms. MATSUI. I thank the gentleman from New York for yielding me time.

Mr. Speaker, I rise today in support of the rule and the underlying legislation, the Mortgage Reform and Anti-Predatory Lending Act of 2007.

The subprime housing crisis is a real threat to our economy. It has already had a devastating impact on our families, our neighbors, and our communities. My home district of Sacramento ranks among the hardest hit areas in the country.

My district ranks fifth in the Nation in adjustable rate mortgages that are expected to reset to higher rates in the future, putting more homeowners at risk of foreclosures. Just last quarter, close to 4,000 homes were foreclosed upon. Without decisive action, this crisis will continue to threaten many more hardworking Americans. As property values continue to fluctuate, it has become harder for many borrowers who are currently locked into these so-called teaser rates to refinance to more affordable loans.

Mr. Speaker, this crisis has affected every aspect of our economy. Coupled with the rising gas and heating prices, our country is entering into a very cold winter indeed. In response, the Federal Reserve has cut interest rates and produced more currency, which has further weakened the U.S. dollar to new lows, prompting inflation fears.

Mr. Speaker, we in Congress have a duty to address this crisis. Chairman FRANK's bill is a step in the right direction. The bill establishes standards for home loans, while holding lenders and brokers accountable. The bill also prevents lenders and brokers from steering consumers to high-cost subprime loans just to make a quick extra buck.

Mr. Speaker, Congress needs to be a partner with the communities which we serve. We must work together to find a comprehensive strategy that will protect our homeowners.

Mr. HASTINGS of Washington. Mr. Speaker, I reserve my time.

Mr. ARCURI. Mr. Speaker, I yield 6 minutes to the gentleman from Georgia (Mr. SCOTT).

Mr. SCOTT of Georgia. I thank my distinguished colleague from New York (Mr. ARCURI). I really appreciate this opportunity.

Mr. Speaker, I stand here with 100 percent support for H.R. 3915. Let me just start off my comments by sharing with you and the Members of the House and the people of this country how severe this issue within the mortgage industry is, particularly within my district and my beloved State of Georgia. We are one of the leading States that have been victims of abusive lending practices, predatory lending, and certainly we are at the epicenter of this mortgage crisis facing us in this country.

For example, Mr. Speaker, 40 percent of the loans in my district are in the subprime area. Homeowners in my district have lost \$159 million in home equity value. One of the counties in my district, Clayton County, is one of the leading counties in this State that has suffered so desperately from home foreclosures due to subprime lending, abuses within the lending practice, and certainly the epicenter of it all, the eye of the storm, is predatory lending.

My State of Georgia has been fighting this battle for an awfully long time. Even during my days in the Georgia State Legislature as a Georgia State Senator, we had to deal with this issue of abuse from Fleet Finance.

So I want to just start with laying that out, Mr. Speaker, so you can see how critical this issue is, not only within my State of Georgia, but facing this entire Nation. That is why we have this bill. It is an important bill, and it is important because it is urgent that we move in a timely manner.

Let me just state very quickly, Mr. Speaker, if I may, what the key areas are in the reform of this bill.

First of all, it creates a new licensing structure for mortgage brokers and loan originators. This is done to ensure that they are licensed and that they are held accountable for the quality of the loans that they originate. This is very important.

Second, it creates a new minimum standard for mortgages and protections to ensure that all loans are properly underwritten, and eases the way for high-quality or qualified loans, qualified mortgages, to be securitized. This is very important. This is especially important because it ensures continued liquidity in the mortgage securities market, and that is what we really need to make sure that we do foremost, is to make sure we have the money there, to make sure we have the liquidity there.

The third key area is it expands the definition for high-cost mortgages, which greatly increases the protections available for consumers if they desire to select a subprime mortgage.

Now, this bill also addresses reckless loan underwriting, it addresses abusive

subprime payment penalties, and it deals with direct incentives for mortgage brokers to steer families into expensive and risky loans. There are a lot of these kinds of unsatisfactory practices that are going on in this industry, let me say not by everyone, but there are some bad actors in this mortgage industry situation. This bill attempts to weave a delicate balance to move in and deal with those that are doing wrong and provide the kinds of protections that our consumers need.

This legislation is needed because all Americans should be protected against predatory lenders. Those are the ones that we are after the most, these folks that sit there and they look and they target areas. They target the most vulnerable people among us. They target minorities. They target African Americans especially. They target Hispanics. They target senior citizens, some of the most vulnerable people. They take advantage of the significant complexity of the language and the complicated situations that are involved in the mortgage industry, so that many people don't know what they are signing for on the bottom line, and they take advantage of that.

We need this legislation because consumers should get good credit. The best thing we can do for consumers currently on bad loans and for future borrowers is to ensure that they can get good credit.

This legislation is needed because credit availability must be preserved, especially in the troubled market that we are in right now. Lenders should not make loans that they know that the consumer cannot pay back.

Mr. Speaker, it is almost unspeakable for many of these loan originators, who know that many of these people can't pay these loans, but they go ahead and they deal with it.

Let me just deal finally with the arguments that there are some on the side that say the legislation is too weak. There are others that say the legislation is too strong. Well, I would just like to say we in Congress have to work with almost everything. It is sort of like making sausage. We have to pull this. We have to pull that. We have to try to come up with a bill that, first of all, we can get through the Congress.

But I am willing to bank my stake on it, Mr. Speaker, that this is a good bill. This is a bill which is a first step which we can deal with. And if they say that this bill is so weak, why are my phones ringing in my office, ringing both here and in Atlanta, Georgia, from bankers and from brokers who are saying that this bill is too strong?

This bill is an effort to move. It is important national lending legislation that, for the first time, prohibits steering a consumer to a loan that would do these four things: A loan that the consumer cannot pay, a loan that does not provide net tangible benefits, a loan that has predatory characteristics, and a loan that treats borrowers differently based on their race or their economic standing.

In most cases, this bill also will allow States, if they want to, to have even a stronger bill, in most cases.

Mr. Speaker, I really appreciate this opportunity. I thank Mr. ARCURI for your patience with me. I hope we will have a chance to come back later in the day and address some of the issues of signing liability and preemption.

Mr. HASTINGS of Washington. Mr. Speaker, I reserve my time.

Mr. ARCURI. Mr. Speaker, I yield 5 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. I thank my colleague from the Empire State, the Great State of New York, for yielding to me, and for his leadership on the Rules Committee and in so many other areas in our Congress.

Mr. Speaker, I rise in strong support of this rule for H.R. 3915, the Mortgage Reform and Anti-Predatory Lending Act. I would like to thank the Rules Committee Chairwoman, LOUISE SLAUGHTER, for crafting this rule, and I would like to thank her for making in order 18 amendments, and one amendment that I will offer later on reforms for prepayment penalties on subprime loans.

I congratulate Chairman FRANK for his stewardship on this difficult legislation, and I thank my colleagues, Congressman WATT and Congressman MILLER from the Great State of North Carolina, which passed antipredatory lending in their State legislature that has been referenced many times in committee meetings and hearings.

I also thank the staff on the Democratic and Republican side that have worked very, very hard, our individual staffs and staffs of the committee, on facing this difficult challenge.

Mr. Speaker, I believe that this legislation has been done in a fair, open, and bipartisan process. During the committee markup last week, we entertained numerous amendments and consistently worked with the ranking member and the other Republicans on the committee. The result of all the chairman's hard work on this bill was demonstrated when this bill passed the committee on a bipartisan vote of 45-19.

The bill we are considering today is carefully crafted legislation that was developed after our committee carefully considered the testimony and advice of many experts and witnesses.

□ 0945

I know the Financial Institutions and Consumer Credit Subcommittee, which I chair, held a series of hearings looking into what can and should be done. I am happy to see a number of suggestions recommended by witnesses reflected in this legislation.

This was no easy task. As each and every one of us knows, the mortgage market is incredibly complex and any new proposal to clamp down on abusive practices must be done in a way that does not disrupt what is working correctly. I am proud to say that I believe

this legislation has struck that delicate balance. The rule protects this legislation from amendments that may disrupt that balance, yet fairly allows for amendments that could enhance this legislation. I urge all of my colleagues to vote for this fair rule and for the underlying legislation.

Any legislation on this issue must strike a very careful balance that provides enhanced consumer protections without unnecessarily limiting the availability of loans to creditworthy borrowers. This bill contains a number of provisions that strengthen underwriting standards and provide additional protections for consumers while not unduly constraining sound lending and the secondary market. These include setting a clear standard that mortgages should be made based on a borrower's ability to repay, which is absolute common sense; setting up a system for licensing nationally; setting professional standards for mortgage brokers and an appropriate system of registration for loan officers; and setting a reasonable limits on assignee liability to ensure that investors will want to provide liquidity for housing finance.

This bill, I think, is a very strong one. It adds accountability and transparency to the system. It builds investor confidence in the system; and without that confidence, we will continue to face a growing market crisis.

We heard in our hearings from 2 to 5 million people, depending on the economists who were testifying, may lose their homes. That is more than lost their homes during the Great Depression. So the committee focused in two areas: first, on helping people stay in their homes with various measures that we passed, and this legislation going forward will prevent the types of abuses and really the turmoil in the market that was not in place because there were not oversight transparency and safeguards.

I congratulate Chairman FRANK on a very difficult balancing act, and I believe the legislation before us will not only help individuals stay in their homes, prevent abuses in the future, but will help the liquidity, stability, and creditworthiness of our entire economy. I no longer call it a subprime crisis; it's a credit crisis. We need to address it. This is tremendously important. We must pass this bill, and I urge all my colleagues to join me in voting for it.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 4 minutes to the gentleman from Texas, a member of the Financial Services Committee (Mr. HENSARLING).

Mr. HENSARLING. I thank the gentleman for yielding.

Mr. Speaker, I rise in opposition to this rule.

I am very disappointed that one of the most substantial portions of the bill will not be able to be debated today as it was in committee. That has to do with the entirety of the issue of what

is known as "assignee liability." It's a very important part of the provision. It deserves to be fully aired on the floor of the House. I am disappointed that the Rules Committee did not find this particular amendment in order.

Mr. Speaker, I submitted two amendments to the Rules Committee, one of which I have been led to believe the chairman of the full committee is going to accept. So it's kind of interesting, the one of the more controversial nature, and actually one that is more substantive, unfortunately, was not found in order.

Mr. Speaker, we know how important it is that we have a vibrant secondary market to add liquidity to that market so that people can realize their dream, the American Dream of owning their own home. Nobody denies that we face great challenges in our subprime market, and I don't think anybody denies that it has the potential to have a great disruption in our economy. But many of us question whether this bill is going to make matters worse or make it better. I believe, Mr. Speaker, it is going to make matters worse.

And one of the matters in the bill that is going to make matters worse is assignee liability. People who choose to invest by having a piece of a group of mortgages and they buy that on what is known as the secondary market, all of a sudden they are going to have legal liability for what somebody else may or may not have done.

So investors not just all over America, Mr. Speaker, but all over the world are going to have options that they look at on where they want to invest their hard-earned money, and many of them are going to say all of a sudden there is all this murky uncertainty. Do I really want to invest in the secondary mortgage market when all of a sudden somebody could turn around and sue me? I didn't originate the mortgage. I don't know the homeowner. I don't even know the person who signed the loan documents. I'm just trying to have an investment for my family, and all of a sudden I can be held liable. Maybe I'll go invest in something else.

At a time when we need even more liquidity in the market this provision will lead to less liquidity.

And all of a sudden we have this murky legal standard. All of a sudden we have got loan originators having to identify loan products that are "appropriate." Well, if you want to talk about a standard that's in the eye of the beholder, it's "appropriate." We talk about "net tangible benefit." Well, who is supposed to determine that? How is that going to be discerned? Loans with "predatory characteristics," well, one person's predatory characteristics may be another person's homeownership opportunity.

We still have to remember, Mr. Speaker, that for all the subprime loans that have gone bad, millions and millions of Americans have had an opportunity to own their first home because of the subprime market. And

here we are again moving in the exact opposite direction. And I think that this assignee liability, this could prove to be a trial attorney's dream and a homeowner's nightmare. And I am very disappointed a major portion of this bill that was debated in committee will not be debated on the full floor.

For this reason, I would certainly oppose this rule and oppose the underlying bill.

Mr. ARCURI. Mr. Speaker, I yield 4½ minutes to the distinguished chairman of Financial Services, the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, I will address much of the substance of the bill in the general debate. I do want to say we are here dealing with an issue, subprime mortgages, that is the single biggest contributor to the greatest financial crisis the world has seen since the Asian crisis of the late nineties.

We are in a very difficult situation now in the financial markets; and wholly unregulated subprime mortgages, unregulated by the originator and then unregulated in the secondary market, has given rise to this.

The previous speaker talked about the danger we could do with our liability for the securitizers. I would note that one of those who volunteered to our committee that we should do something, he wasn't specific about what, but something to put some liability there was the Chairman of the Federal Reserve, Mr. Bernanke, who has talked about what he called the originate-to-distribute model, i.e., people who give mortgages who are not themselves subject to regulation who then in turn sell into a secondary market, and what has been lost in that is the responsibility to worry about repayment. Now, we will talk more about this.

There is a delicate balance here. I am not in favor and this bill does not in general preempt the rights of States to do what they think is necessary in the consumer protection area. But in the matter I just talked about, when we are talking about a national secondary market, we did believe some preemption is necessary. We have tried to define it precisely and hold it to a minimum necessary to have a functioning market. As I said, I will address some of those more.

The bill, I believe, does strike a balance that can be a difficult one to achieve, particularly in that area of some preemption so that you have a functioning secondary market, but not to the point where you intrude on the rights of States to make these decisions.

I do want to address the rule. At my request this rule does make in order a number of amendments from both parties. Several of the amendments offered by Republicans will be, I hope, accepted. The manager's amendment itself is a genuinely bipartisan amendment. Much of the manager's amendment, in fact, came from the minority; and, indeed, in our committee the

ranking member had a major input into this. This bill did pass committee by a vote of 45–19, which was the Democrats and, not a majority, but a significant number of Republicans.

We have, I believe, a rule that allows most of the issues that are at stake to be voted on. There are amendments that would strike major parts of the bill. The gentleman from North Carolina has one. The gentleman from Georgia has one. There is a third, the gentleman from New Jersey. Three amendments that would strike very much at the heart of the bill. I believe they should be debated and I would hope defeated, but they are made in order.

I did consult very much with the ranking member, and I believe we have a procedure today that doesn't cover everything, but will have the major issues before us.

At the end of today, I hope we will have passed a bill and it will be a bill which I must say will probably leave all parties at interest a little bit unhappy. I'm not pleased with that, but I think given the competing interests here, that is the best we can do, particularly on this issue of whether or not we preempt.

I would note that while some of the groups that I work with in the consumer area are disappointed because they wanted no preemption at all, passage of this bill is supported by the Conference of State Bank Supervisors. They think there are some things they would like to see changed further on. It's supported by the NAACP and La Raza. And it has, we believe, the essential elements.

The core is this: loans made by banks as originators subject to bank regulation have not been the problem. The problem has come when loans were originated by unregulated people, not that they were morally deficient, but there was no regulation. Here is the core of this bill: we have tried talking to the bank regulators and others to take the principles that the bank regulators have applied to loans originated by regulated depository institutions and apply them to the unregulated originators, the brokers. And it is not the case that the brokers were morally deficient. In all of these professions, we have an overwhelming majority of honest people. But the problem is, in the absence of any regulation and the availability of a secondary market with no rules, that minority that was not scrupulous caused us problems. This bill fixes that.

Mr. HASTINGS of Washington. I yield myself 2 minutes, Mr. Speaker.

Mr. Speaker, I just want to respond to my friend from Massachusetts when he outlined the amendments that were made in order and the substance of some of those amendments to be debated and also suggesting that he would oppose some and accept others. I have always admired that in him when he comes up to the Rules Committee and feels that that's part of the legislative process.

The point that the gentleman from Texas was making, apparently he had two amendments, and one of them the gentleman from Massachusetts is going to work with him on; so that one will be resolved. But the gentleman from Texas felt very strongly that the amendment that was not made in order, really the only amendment that had any substance was not made in order, was his amendment, and we don't get a chance to debate it. I think that's a valid argument from his perspective. And I know the gentleman from Massachusetts had nothing to say obviously about that.

So I just wanted to make that point, that, yes, there are a lot of amendments that were made in order. Some of the amendments that were made in order will be addressed later on. But I wanted to make the point of what the gentleman from Texas had made that his amendment was not made in order.

Mr. FRANK of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. HASTINGS of Washington. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I thank the gentleman. I appreciate his comments, and I think he's right.

The gentleman from Texas' amendment not made in order was a substantive amendment. I do believe, as I looked at the amendments, every other amendment from either side that presented a substantive issue was made in order, and, frankly, I assumed that this could be the recommit, if the minority cared about it.

□ 1000

We did in the rule, as we should have, provide for every substantive issue to be debated, except that one. There is the motion to recommit, and that would be available for the motion to recommit.

Mr. HASTINGS of Washington. The gentleman has always been open to debate. I am glad he has given us advice on maybe what we want to put in the motion to recommit. One of the easiest ways to do that obviously would be to have made that amendment in order. He had nothing to do with that decision. That was a decision of the Rules Committee. I wish it had been made in order. An amendment was offered to make that in order and was defeated on a party-line vote.

Mr. FRANK of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. HASTINGS of Washington. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I appreciate it. I don't contest anything he said. But I would say it did seem to me, as I looked at it in a neutral way, that the minority did need some help on dealing with recommitments.

Mr. HASTINGS of Washington. I always appreciate the gentleman offering his advice.

I reserve my time.

Mr. ARCURI. Mr. Speaker, I yield an additional 2 minutes to the gentleman from Georgia (Mr. SCOTT).

Mr. SCOTT of Georgia. Mr. Speaker, I think it is very important because the assignee liability issue did come up, and I think as we move through this debate it would be clear to get a clear understanding of what we have in that so we will have a point of reference.

First of all, in this issue, if a consumer gets a loan that violates the minimum standards, in this bill are minimum standards, then the consumer has cause of action against assignees that have purchased that loan. The consumer may sue to rescind the loan and recoup other costs. There has to be an element of liability in the issue. We have worked to get a delicate balance that both protects the consumer while at the same time also saving some elements of liability so that we keep the market free of unnecessary suits.

Further, when the holder of a bad loan initiates a foreclosure, the consumer may exercise a rescission right under this to stop foreclosure. This is important. If the rescission right has expired, the consumer may seek actual damages plus costs against the creditor, the assignee or the securitizer. This provision gives real power to the consumer who can sue to stop a foreclosure of a bad loan or to rescind the bad loan.

Now, we also have some protections from liability for the loan originator. Number one, somebody may ask, why even give some protection from lawsuits to any entity that buys a loan? I believe that most consumers realize that the market provides the funding for loans and that the constant threat of legal action will indeed increase the cost of those loans for everybody. Somebody will have to pay that cost. And normally, that cost will fall on the consumer. So we have struck a delicate balance in the assignee liability.

Mr. HASTINGS of Washington. Mr. Speaker, could I inquire of my friend from New York if he has any more speakers.

Mr. ARCURI. I have no additional speakers.

Mr. HASTINGS of Washington. So if the gentleman is prepared to close, I will close on my side.

Mr. ARCURI. I am prepared to close, yes.

Mr. HASTINGS of Washington. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, it really is time for Congress to act and pass a stand-alone veterans funding bill. For the last several weeks, I have encouraged my colleagues to vote "no" on the previous question so that we can amend the rule to allow the House to immediately act to go to conference with the Senate on H.R. 2642, the Military Construction and Veterans Affairs funding bill and appoint conferees.

We have heard comments from Democrats that when Republicans were in charge that we did not get our work on the veterans funding bill completed

on time. So I would ask my Democrat colleagues, if you don't like the way things were run then, then why are you exactly on the same path? Mr. Speaker, a final veterans funding bill is sitting waiting to be acted on. The Democrat leaders have bent over backwards to prevent Congress from passing the final bill. The stalling is costing our American veterans \$18.5 million a day. Since the fiscal year began 46 days ago, our Nation's veterans are out \$851 million. The veterans funding bill passed the House this summer with over 400 votes and passed the Senate with over 90 votes, and the President will sign the bill. So let's stop delaying, and let's defeat the previous question so that we cannot just say that we are committed to providing for veterans the funding increase that they need, but we actually get this increase to them.

Mr. Speaker, I ask unanimous consent to have the text of the amendment and extraneous material inserted in the RECORD prior to the vote on the previous question.

The SPEAKER pro tempore (Mr. PAS-
TOR). Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HASTINGS of Washington. Mr. Speaker, I urge my colleagues to oppose the previous question, and I yield back the balance of my time.

Mr. ARCURI. Mr. Speaker, so the record is clear, as the distinguished chairman of the Military Construction VA subcommittee, Mr. EDWARDS, so eloquently stated many times right here on the floor of this House, there is a clear difference between the new Democratic majority's approach to veterans and the previous Republican leadership approach.

The difference is that under the leadership of Speaker PELOSI and the new Democratic majority, supporting veterans is one of the highest priorities of this Congress. My colleagues on the other side of the aisle will claim that we are leaving veterans out in the cold. As elected Federal representatives, we are accountable for not only our words but our actions as well. What the other side won't tell you is that we had passed a continuing resolution in the beginning months of this Congress because the previous Congress failed to ever pass the MilCon-VA appropriations bill last year. They also won't tell you that the continuing resolution included an increase of \$3.4 billion for veterans health care. The other side doesn't want to talk about the emergency supplemental spending bill we passed a few months ago which included an additional \$1.8 billion for veterans discretionary spending. I am no mathematician, but \$3.4 billion and \$1.8 billion add up to \$5.2 billion, which is larger than any increase in veterans spending passed by the previous Republican leadership.

I admit I am a new Member, but I can still look back at the record to see that the last time the previous Republican leadership passed the Veterans appro-

priation bill on time was 1996. It sounds to me like the other side of the aisle is suffering from a case of selective memory.

The new Democratic majority has not forgotten about our veterans. We have already passed legislation which has been signed into law that will provide an additional \$5.2 billion for our veterans. Mr. Speaker, the numbers speak for themselves. The new Democratic majority has and will continue to provide for our Nation's veterans.

Back to the issue, we are facing a national crisis with hundreds of thousands of families losing their homes and an expected 2 million more over the next 2 years. The Mortgage Reform and Anti-Predatory Lending Act provides long-overdue and much-needed protection to those families.

As I said earlier, every American deserves the opportunity to achieve the American Dream of home ownership. It is because of the leadership and bipartisanship of Chairman FRANK and Ranking Member BACHUS that I am proud to stand here today as we make meaningful, commonsense steps to help more American families achieve that dream.

I urge a "yes" vote on the previous question and on the rule.

The material previously referred to by Mr. HASTINGS of Washington is as follows:

AMENDMENT TO H. RES. 825 OFFERED BY MR.
HASTINGS OF WASHINGTON

At the end of the resolution, add the following:

SEC. 3. The House disagrees to the Senate amendment to the bill, H.R. 2642, making appropriations for military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2008, and for other purposes, and agrees to the conference requested by the Senate thereon. The Speaker shall appoint conferees immediately, but may declare a recess under clause 12(a) of rule I for the purpose of consulting the Minority Leader prior to such appointment. The motion to instruct conferees otherwise in order pending the appointment of conferees instead shall be in order only at a time designated by the Speaker in the legislative schedule within two additional legislative days after adoption of this resolution.

(The information contained herein was provided by Democratic Minority on multiple occasions throughout the 109th Congress.)

THE VOTE ON THE PREVIOUS QUESTION: WHAT
IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Democratic majority agenda and a vote to allow the opposition, at least for the moment, to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's Precedents of the House of Representatives, (VI, 308-311) describes the vote on the previous question on the rule as "a motion to direct or control the consideration of the subject before the House being made by the Member in charge." To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's

ruling of January 13, 1920, to the effect that "the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition" in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R-Illinois) said: "The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition."

Because the vote today may look bad for the Democratic majority they will say "the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . [and] has no substantive legislative or policy implications whatsoever." But that is not what they have always said. Listen to the definition of the previous question used in the Floor Procedures Manual published by the Rules Committee in the 109th Congress, (page 56). Here's how the Rules Committee described the rule using information from Congressional Quarterly's "American Congressional Dictionary": "If the previous question is defeated, control of debate shifts to the leading opposition member (usually the minority Floor Manager) who then manages an hour of debate and may offer a germane amendment to the pending business."

Deschler's Procedure in the U.S. House of Representatives, the subchapter titled "Amending Special Rules" states: "a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate." (Chapter 21, section 21.2) Section 21.3 continues: "Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon."

Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Democratic majority's agenda and allows those with alternative views the opportunity to offer an alternative plan.

Mr. ARCURI. I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HASTINGS of Washington. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

MESSAGE FROM THE SENATE

A message from the Senate by Ms. Curtis, one of its clerks, announced that the Senate has passed a bill of the following title in which the concurrence of the House is requested:

S. 597. An act to extend the special postage stamp for breast cancer research for 4 years.

PROVIDING FOR FURTHER CONSIDERATION OF H.R. 3773, RESTORE ACT OF 2007

Mr. HASTINGS of Florida. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 824 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 824

Resolved, That during further consideration of the bill (H.R. 3773) to amend the Foreign Intelligence Surveillance Act of 1978 to establish a procedure for authorizing certain acquisitions of foreign intelligence, and for other purposes, as amended, pursuant to House Resolution 746, the further amendment printed in the report of the Committee on Rules accompanying this resolution shall be considered as adopted. Time for debate on the bill pursuant to House Resolution 746 shall be considered as expired. The bill, as amended, shall be debatable for one hour, with 30 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary and 30 minutes equally divided and controlled by the chairman and ranking minority member of the Permanent Select Committee on Intelligence.

The SPEAKER pro tempore. The gentleman from Florida is recognized for 1 hour.

Mr. HASTINGS of Florida. For the purpose of debate only, Mr. Speaker, I yield the customary 30 minutes to the gentleman, my good friend from Washington, Representative HASTINGS. All time yielded during consideration of the rule is for debate only.

GENERAL LEAVE

Mr. Speaker, I also ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and insert extraneous material in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HASTINGS of Florida. I yield myself such time as I may consume.

Mr. Speaker, House Resolution 824 provides for further consideration of H.R. 3773, the RESTORE Act of 2007, under a closed rule.

The rule provides 60 minutes of debate. Thirty minutes will be equally divided and controlled by the chairperson and ranking Republican of the Committee on the Judiciary, and 30 minutes will be equally divided and controlled by the chairperson and ranking Republican of the Permanent Select Committee on Intelligence.

The rule considers as adopted another amendment printed in the Rules Committee report.

Mr. Speaker, with the resurgence of al Qaeda and an increasing global threat from weapons of mass destruction in places such as Iran, every single person in this body wants to ensure that our intelligence professionals have the proper resources they need to protect our Nation.

As vice chairman of the House Intelligence Committee, I assure you that

each and every one of us on that panel and others, Republican or Democrat, are working tirelessly, and often together, to do just that.

But the government is not exempt from the rule of law, as the Constitution confers certain unalienable rights and civil liberties to each of us.

After the terrorist attacks of September 11, the Bush administration upset that balance by ignoring the Foreign Intelligence Surveillance Act law, establishing a secret wiretapping program, and refusing to work with Congress to make the program lawful.

Democratic members of the Intelligence Committee have been trying to learn about the Bush administration's FISA programs for years. But the administration, which has been anything but forthcoming, has sought to block our oversight efforts nearly every step of the way.

When the administration finally came to Congress to modify the law this summer, it came with a flawed proposal to allow sweeping authority to eavesdrop on Americans' communications while doing almost nothing to protect their rights.

The RESTORE Act, true to its name, restores the checks and balances on the executive branch, enhancing our security and preserving our liberty. It rejects the false statement that we must sacrifice liberty to be secure. The legislation provides our intelligence community with the tools it needs to identify and disrupt terrorist networks with speed and agility. It provides additional resources to the Department of Justice, National Security Agency, and the FISA Court to assist in auditing and streamlining the FISA application process while preventing the backlog of critical intelligence gathering.

The RESTORE Act prohibits the warrantless electronic surveillance of Americans in the United States, including their medical records, homes and offices. And it requires the government to establish a record-keeping system to track instances where information identifying U.S. citizens is disseminated.

This bill preserves the role of the FISA Court as an independent check of the government to prevent it from infringing on the rights of Americans. It rejects the administration's belief that the court should simply be a rubber stamp.

Finally, the bill sunsets in 2009. This is a critical provision because it requires the constant oversight and regular evaluation of our FISA laws, actions which were largely neglected during the last 6 years of Republican control.

In so many ways, the underlying legislation is more efficient and effective than the administration's proposal which passed in August.

Mr. Speaker, as my colleagues know, last month, we came to the floor on this bill, but when it became clear that Republicans were intent on playing